While there is growth in consumption of petroleum products, total tax revenues have not gone up correspondingly due to reduction in rates of custom duties on crude oil & petroleum products and cut in excise duty on sensitive petroleum products and appreciation of the rupee vis-a-vis the US dollar.

Coal Gasification Technology

1967. SHRI N.R. GOVINDARAJAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government has any proposal to promote coal gasification;

(b) if so, the details thereof;

(c) to what extent such a technology is commercially viable;

(d) whether some foreign firms has sought permission to set up their business in the country by using the technique of changing coal into oil; and

(e) if so, the details of such proposals and the level at which these proposals are being considered at present?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Yes, Sir.

(b) Oil and Natural Gas Corporation Ltd (ONGC) has signed an Agreement of Collaboration, (AOC) with Skochinsky Institute of Mining (SIM-NMRC), Moscow, Russia to develop Underground Coal Gasification (UCG) technology in India on 25th November, 2004. After sudying eleven sites, one site namely Vastan Mine block belonging to Gujarat Industries Power Company Ltd. (GIPCL) in Surat Gujarat has been found most suitable for UCG.

(c) Commercial application of UCG technology has taken place only in erstwhile Soviet Union. A UCG based power plant station is still operative in Uzbekistan and is producing Approx. 25 MW electricity. UCG is also being produced on pilot level in Australia and South Africa. The commercial viability of underground coal gasification in Indian condition could only be assessed after taking up pilot scale studies.

(d) and (e) In so far as Ministry of Petroleum & Natural Gas is concerned no approval has been given to any foreign company to start its business in the country by using the technique of changing coal into oil. However, foreign companies are free to collaborate with Indian companies in this regard.

Policy for CBM

1968. SHRIMATI SUPRIYA SULE:
SHRI JESUDASU SEELAM:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether his Ministry has decided to chalk out a strict policy for proposals seeking extension in exploration phased under Coal Bed Methane (CBM) contracts in a bid to adopt a transparent and consistent frame-work;

(b) whether Government has so far signed contracts for 26 blocks, covering an area of